

Regular Session, 2011

HOUSE BILL NO. 571

BY REPRESENTATIVE ROBIDEAUX

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/STATE SYSTEMS: Relative to state retirement systems, makes changes to provisions affected by Act 992 of the 2010 Regular Session

1 AN ACT

2 To amend and reenact R.S. 11:203(B)(1), 471.1(C), 612(2)(f) and (l), 613, 614, 616, 620(A),
3 (B), (C), and (D), 621(B) and (C)(1), 783(A)(3)(a), 786(A), 1151.1(C), 1152(A),
4 1323(C), and 1345.9 and to enact R.S. 11:612(2)(m), 11:618(D), 701(33)(b)(ii)(cc)
5 and (dd), relative to the Louisiana State Employees' Retirement System, the
6 Teachers' Retirement System of Louisiana, the Louisiana School Employees'
7 Retirement System, and the State Police Pension and Retirement System; to make
8 certain technical, remedial, and substantive changes to provisions of the law affected
9 by Act 992 of the 2010 Regular Legislative Session and other provisions of law to
10 conform with such Act; to provide with respect to benefits, survivors' benefits,
11 disability benefits, membership, retirement eligibility, Deferred Retirement Option
12 Plan participation, retirement options, transfers, and the Hazardous Duty Services
13 Plan; to provide an effective date; and to provide for related matters.

14 Notice of intention to introduce this Act has been published
15 as provided by Article X, Section 29(C) of the Constitution
16 of Louisiana.

17 Be it enacted by the Legislature of Louisiana:

18 Section 1. R.S. 11:203(B)(1), 471.1(C), 612(2)(f) and (l), 613, 614, 616, 620(A), (B),
19 (C), and (D), 621(B) and (C)(1), 783(A)(3)(a), 786(A), 1151.1(C), 1152(A), 1323(C), and

1 1345.9 are hereby amended and reenacted and R.S. 11:612(2)(m), 11:618(D),
2 701(33)(b)(ii)(cc) and (dd) are hereby enacted to read as follows:

3 §203. Teachers' Retirement System

4 * * *

5 B.(1) A person whose first employment making him eligible for membership
6 in one of the state systems occurred on or before December 31, 2010, applying for
7 a disability benefit shall have five years of actual credited service in order to qualify
8 for a disability benefit. ~~Such member shall not use credit earned while receiving~~
9 ~~workers' compensation in order to meet the minimum five-year eligibility~~
10 ~~requirement.~~

11 * * *

12 §471.1. Survivors' benefits; members hired on or after January 1, 2011

13 * * *

14 C.(1) In addition to the amount payable in accordance with Subsection B of
15 this Section, for the benefit of the surviving minor ~~or handicapped child, or mentally~~
16 ~~disabled~~ child, or children, there shall be paid for each such child, subject to a
17 maximum of two children, per month fifty percent of the benefit to which a spouse
18 would be entitled under Subsection B of this Section. Benefits shall be payable to
19 such children even if no spouse is eligible for survivor benefits, provided the member
20 had at least five years of service credit. Benefits for a child shall cease when the
21 child is no longer a minor child as defined by this Chapter. No surviving minor child
22 shall receive more than one survivor's benefit at any one time. If two benefits are
23 applicable, only the larger shall be paid.

24 (2)(a) In addition to the amount payable in accordance with Subsection B of
25 this Section, the surviving totally physically handicapped or mentally disabled child
26 or children of a deceased member, whether under or over the age of eighteen years,
27 shall be entitled to the same benefits, payable in the same manner, as are provided
28 by this Section for minor children, if the child was totally physically handicapped or

1 mentally disabled at the time of the death of the member and is dependent upon the
2 surviving spouse or other legal guardian.

3 (b) The surviving spouse or legal guardian shall provide adequate proof of
4 handicap or mental disability of such surviving child or children and shall notify the
5 board of any subsequent changes in the child's condition which cause the child to no
6 longer be dependent upon the surviving spouse or legal guardian and any changes
7 in the assistance being received from other state agencies. The board may require
8 a certified statement of the child's eligibility status at the end of each calendar year.

9 * * *

10 §612. Application; definitions

11 Terms not specifically defined in this Section shall have the meanings
12 provided in R.S. 11:403 unless a different meaning is clearly required by the context.

13 For purposes of this Subpart:

14 * * *

15 (2) "Member" or "members" shall include the following persons whose first
16 employment making them eligible for membership in one of the state systems
17 occurred on or after January 1, 2011:

18 * * *

19 (f) Arson investigators employed by the office of state fire marshal who are
20 P.O.S.T.-certified, who have the power to arrest, and who hold a commission from
21 such office, and any person in the office of state fire marshal who is required to be,
22 at a minimum, a certified Firefighter I or a certified First Responder.

23 * * *

24 (l) All campus chiefs of police employed by any institution of higher
25 education who are P.O.S.T.-certified, who have the power to arrest, and who hold a
26 commission as required for employment as such officers.

27 (m) All personnel employed in positions required to be P.O.S.T.-certified,
28 who have the power to arrest, who hold a commission as required for employment

1 in such positions, who are otherwise members of the Louisiana State Employees'
2 Retirement System, and who are not members of any other retirement system.

3 * * *

4 §613. Eligibility for plan membership

5 A. Each person who becomes an employee in state service in one of the
6 positions defined in R.S. 11:612(2) shall become a member of the Hazardous Duty
7 Services Plan of the system as a condition of employment.

8 (B) Notwithstanding the provisions of Subparagraph (A) of this Section, no
9 person who participated in the Deferred Retirement Option Plan as a member of any
10 other retirement plan in this system or who retired under the provisions of any other
11 retirement plan in this system who is reemployed under Option 1 or Option 3 as
12 provided in R.S. 11:416 shall be eligible for membership in the Hazardous Duty
13 Services Plan.

14 §614. Eligibility for retirement

15 A. Any member of this plan shall be eligible for retirement if he has:

16 (1) Twenty-five years or more of service, at any age.

17 (2) Twelve years or more of service, at age fifty-five or thereafter.

18 (3) Twenty years of service credit at any age, exclusive of military service
19 and unused annual and sick leave, but any person retiring under this Paragraph shall
20 have his benefit, inclusive of military service credit and allowable unused annual and
21 sick leave, actuarially reduced. Any member retiring under this Paragraph who is
22 in state service at the time of his retirement shall have his benefit actuarially reduced
23 from the earliest age that he would normally become eligible for a regular retirement
24 benefit under Paragraph (1) or (2) of this Section if he had continued in service to
25 that age. Any member retiring under this Paragraph who is out of state service at the
26 time of his retirement shall have his benefit actuarially reduced from the earliest age
27 that he would normally become eligible for a regular retirement benefit under
28 Paragraph (1) or (2) of this Section based upon his years of service as of the date of
29 retirement. Any employee who elects to retire under the provisions of this Paragraph

shall not be eligible to participate in the Deferred Retirement Option Plan provided by R.S. 11:447 or the Initial Benefit Option provided by R.S. 11:446(A)(5).

B.(1) Notwithstanding the provisions of R.S. 11:441(A)(2)(b) or any other provision of law to the contrary, any member of this plan who is not eligible for retirement under Subsection A of this Section may elect to retire under the provisions of R.S. 11:441(A)(2)(b)(i) with five years or more of service credit at age sixty or thereafter.

(2)(a) The retirement benefit and survivor benefit provisions of this Subpart, including but not limited to R.S. 11:615 and 11:621, shall not apply to any member of this plan who elects to retire under the provisions of R.S. 11:441(A)(2)(b)(i).

(b) Any member of this plan who elects to retire under the provisions of R.S. 11:441(A)(2)(b)(i) shall receive a retirement benefit equal to two and one-half percent of his average compensation for every year of creditable service.

(c) Retirement benefits for any member of this plan who elects to retire under the provisions of R.S. 11:441(A)(2)(b)(i) shall be paid in accordance with R.S. 11:446.

* * *

§616. Deferred Retirement Option Plan; Initial Benefit Option; Annual Cost-of-Living Adjustment Option

A. A member who is eligible for regular retirement may elect to participate in the Deferred Retirement Option Plan in accordance with the provisions of R.S. 11:447 through 454, or the Initial Benefit Option provided by R.S. 446(A)(5).

B. Any member of this plan may elect to participate in the Annual Cost-of-Living Adjustment Option provided by R.S. 11:446(A)(6).

* * *

§618. Survivors' benefits for members killed in the line of duty

* * *

D. The provisions of this Section shall not apply to any member of this plan who:

1 (1) Has participated in the Deferred Retirement Option Plan; or

2 (2) Is a retiree of the system who is reemployed under Option 1 or Option 3

3 as provided in R.S. 11:416.

4 * * *

5 §620. Transfer of other service credit

6 A. Any member of this system or of another state or statewide system, who
7 would otherwise be eligible for benefits under the plan except that his first
8 employment making him eligible for membership in any state system occurred on
9 or before December 31, 2010, and who has not participated in the Deferred
10 Retirement Option Plan in the system of which he is a member and who is not a
11 reemployed retiree of his system or a retiree of this system reemployed under Option
12 1 or Option 3 as provided in R.S. 11:416, shall have the right to irrevocably elect to
13 become a member of the plan by submitting an application to the board of trustees
14 to be effective on or after January 1, 2011.

15 B. Any member who elects to join the Hazardous Duty Services Plan from
16 an existing system or plan shall have the option of:

17 (1)(a) Maintaining prior service credit in the existing system or plan pursuant
18 to the provisions of that system or plan and accruing service credit and benefits in
19 the Hazardous Duty Services Plan after the date he joins the plan.

20 (b) For any member who joins the Hazardous Duty Services Plan after the
21 effective date of this Subparagraph, if such member elects to maintain prior service
22 credit in his existing system or plan and that election results in an actuarial cost to
23 this system, then the member shall pay the system the amount of such actuarial cost
24 prior to his retirement.

25 (2)(a) An internal actuarial transfer from plan to plan in accordance with the
26 provisions of R.S. 11:143(C) and (D) ~~in which this system is both the transferring~~
27 ~~and receiving system~~ in which the member transfers all of his service credit from
28 each other system or plan ~~in this system~~ and maintains prior service credit at the
29 accrual rate at which it was earned in the existing system or plan prior to joining the

1 Hazardous Duty Services Plan. In the event that the amount of funds transferred is
2 less than the actuarial cost of the service transferred to the plan, the member
3 transferring, except as otherwise provided in this Section, shall pay the deficit or
4 difference including the interest thereon at the board-approved actuarial valuation
5 rate of the system.

6 (b) In lieu of paying the deficit or difference plus interest, the member may
7 at his option, but only at the time of transfer, be granted an amount of credit in the
8 plan which is based on the amount of funds actually transferred plus any additional
9 funds less than the deficit paid by the member.

10 (c) Except as otherwise provided in Subparagraph (d) of this Subsection, a
11 member who completes a transfer under the provisions of this Section shall have his
12 retirement benefit calculated using the accrual rate of the system or plan from which
13 he transferred based on the number of years transferred.

14 (d) A member choosing an internal actuarial transfer shall be eligible to
15 upgrade ~~any~~ the service credit that was actuarially transferred pursuant to this
16 Subsection to the accrual rate of the Hazardous Duty Services Plan by paying an
17 amount that totally offsets the increase in actuarial liability resulting from the
18 upgrade in accordance with R.S. 11:158.

19 C.(1) An employee who is a contributing member of any other plan in this
20 or another state or statewide system who would otherwise be required to become a
21 member of this plan as a condition of employment in a position which would
22 otherwise qualify him for such membership on or after January 1, 2011, may elect
23 at the time of his employment in such position to remain a contributing member of
24 the last plan in this system of which he was a member or of such other system for
25 which he remains eligible for membership.

26 (2) For an employee who elects to remain a member of a plan in this system,
27 applicable to members employed in hazardous duty positions, which plan was in
28 existence on or before December 31, 2010, service credit earned on or after January

1, 2011, in one of the hazardous duty positions defined in R.S. 11:612(2) shall be deemed as service credit earned in a position covered by such plan.

D. A member whose first employment making him eligible for membership in a state retirement system occurred on or before December 31, 2010, who elects to ~~transfer to~~ join this plan shall thereafter for purposes of all state retirement systems be treated as an employee whose first eligibility for membership occurred on or after January 1, 2011.

* * *

§621. Survivors' benefits for former or retired members

* * *

B. The surviving spouse of a deceased retired member or Deferred Retirement Option Plan participant shall receive a benefit in an amount equal to seventy-five percent of the monthly retirement benefit that was being paid to the decedent on the date of death.

C.(1) If there is no surviving spouse eligible to receive benefits pursuant to Subsection A or B of this Section, the ~~minor~~ children of the decedent shall be entitled to benefits as provided in R.S. 11:471.1.

* * *

§701. Definitions

As used in this Chapter, the following words and phrases have the meanings ascribed to them in this Section unless a different meaning is plainly required by the context:

* * *

(33)(a)

* * *

(b) "Teacher" shall not include any of the following:

* * *

$$(\mathbf{i}\mathbf{i})$$

* * *

1 (cc) Any unclassified campus chief of police employed by any institution of
2 higher education whose first employment making him eligible for membership in
3 one of the state systems occurred on or after January 1, 2011 who is
4 P.O.S.T.-certified, who has the power to arrest, and who holds a commission as
5 required for employment in such position.

6 (dd) Any unclassified campus chief of police employed by any institution of
7 higher education whose first employment making him eligible for membership in
8 one of the state systems occurred on or before December 31, 2010, and who is
9 P.O.S.T.-certified, has the power to arrest, who holds a commission as required for
10 employment in such position, and has joined the Hazardous Duty Services Plan in
11 the Louisiana State Employees' Retirement Plan pursuant to R.S. 11:620.

12 * * *

13 §783. Selection of option for method of payment after death of member

14 A.

15 * * *

16 (3) Initial Lump-Sum Benefit. (a) If a member has not participated in the
17 Deferred Retirement Option Plan provided by the provisions of this Chapter ~~and~~ ,
18 he shall be eligible to select an initial lump sum benefit. The initial lump-sum
19 benefit shall be available to any member of the system whose first employment
20 making him eligible for membership in one of the state retirement systems occurred
21 on or before December 31, 2010, and who has thirty years of creditable service, or
22 is age fifty-five and has twenty-five years of creditable service, or is age sixty and
23 has ten years of creditable service, and. Any member of the system whose first
24 employment making him eligible for membership in one of the state retirement
25 systems occurred on or after January 1, 2011, may select the initial lump-sum benefit
26 if he is age sixty and has 5 years of service. if ~~If~~ the maximum benefit, Option 2,
27 2A, 3, 3A, 4, or 4A above is chosen, then the member may further elect to receive
28 a reduced retirement allowance plus an initial benefit. The creditable service

1 referenced in this Paragraph shall not include unused accumulated sick leave and
2 unused accumulated annual leave.

3 * * *

4 §786. Deferred Retirement Option Plan

5 A.(1) In lieu of terminating employment and accepting a retirement
6 allowance, any member of this system whose first employment making him eligible
7 for membership in one of the state retirement systems occurred on or before
8 December 31, 2010, and who is not covered by R.S. 11:801 and who has thirty years
9 of service credit at any age, twenty-five years of service credit and is at least age
10 fifty-five, or has twenty years of service credit exclusive of military service and is
11 at least age sixty-five may elect to participate in the Deferred Retirement Option
12 Plan. A member with ten years of service credit exclusive of military service and
13 who is at least age sixty may elect to participate in the plan, but all benefits payable
14 at any time shall only be calculated using a two percent benefit formula. ~~Any~~
15 ~~member of this system who is covered by the provisions of R.S. 11:801 who has~~
16 ~~thirty years of service credit and is at least age fifty-five or has ten years of service~~
17 ~~credit and is at least age sixty may elect to participate in the Deferred Retirement~~
18 ~~Option Plan.~~

19 (2) Any member of this system whose first employment making him eligible
20 for membership in one of the state retirement systems occurred on or after January
21 1, 2011, and who is not covered by R.S. 11:801 and who has five years of service
22 credit and is at least age sixty may elect to participate in the Deferred Retirement
23 Option Plan.

24 (3) Any member of this system who is covered by the provisions of R.S.
25 11:801 who has thirty years of service credit and is at least age fifty-five or has ten
26 years of service credit and is at least age sixty may elect to participate in the
27 Deferred Retirement Option Plan.

28 * * *

29 §1151.1. Survivors' benefits; members hired on or after January 1, 2011

* * *

C.(1) In addition to the amount payable in accordance with Subsection B of this Section, for the benefit of the surviving minor ~~or handicapped child, or mentally disabled child~~, or children, there shall be paid for each such child, subject to a maximum of two children, per month fifty percent of the benefit to which a spouse would be entitled under Subsection B of this Section. Benefits shall be payable to such children even if no spouse eligible for survivor benefits is present, provided the member had at least five years of service credit. Benefits for a child shall cease when the child is no longer a minor child as defined by this Chapter. No surviving minor child shall receive more than one survivor's benefit at any one time. If two benefits are applicable, only the larger shall be paid.

(2)(a) In addition to the amount payable in accordance with Subsection B of this Section, the surviving totally physically handicapped or mentally disabled child or children of a deceased member, whether under or over the age of eighteen years, shall be entitled to the same benefits, payable in the same manner, as are provided by this Section for minor children, if the child was totally physically handicapped or mentally disabled at the time of the death of the member and is dependent upon the surviving spouse or other legal guardian.

(b) The surviving spouse or legal guardian shall provide adequate proof of handicap or mental disability of such surviving child or children and shall notify the board of any subsequent changes in the child's condition which cause the child to no longer be dependent upon the surviving spouse or legal guardian and any changes in the assistance being received from other state agencies. The board may require a certified statement of the child's eligibility status at the end of each calendar year.

* * *

§1152. Deferred Retirement Option Plan

A. In lieu of terminating employment and accepting a service retirement allowance pursuant to this Part, any member who ~~has ten or more years of creditable service at sixty years of age, twenty-five or more years of creditable service at fifty-~~

1 ~~five years of age, or thirty or more years of creditable service at any age~~ is eligible
2 for regular retirement may elect to participate in the Deferred Retirement Option
3 Plan and defer the receipt of benefits in accordance with the provisions of this
4 Section.

5 * * *

6 §1323. Death of employee not in performance of duty; employees hired on or after
7 January 1, 2011

8 * * *

C.(1) In addition to the amount payable in accordance with Subsection B of this Section, for the benefit of the surviving minor ~~or handicapped child, or mentally disabled child,~~ or children, there shall be paid for each such child, subject to a maximum of two children, per month fifty percent of the benefit to which a spouse would be entitled under Subsection B of this Section. Benefits shall be payable to such children even if no spouse eligible for survivor benefits is present, provided the member had at least five years of service credit. Benefits for a child shall cease when the child is no longer a minor child as defined by this Chapter. No surviving minor child shall receive more than one survivor's benefit at any one time. If two benefits are applicable, only the larger shall be paid.

19 (2)(a) In addition to the amount payable in accordance with Subsection B of
20 this Section, the surviving totally physically handicapped or mentally disabled child
21 or children of a deceased member, whether under or over the age of eighteen years,
22 shall be entitled to the same benefits, payable in the same manner, as are provided
23 by this Section for minor children, if the child was totally physically handicapped or
24 mentally disabled at the time of the death of the member and is dependent upon the
25 surviving spouse or other legal guardian.

(b) The applicant shall provide adequate proof of handicap or mental disability of such surviving child or children and shall notify the board of any subsequent changes in the child's condition to such an extent that the child is no

1 longer dependent upon the surviving spouse or legal guardian and any changes in the
 2 assistance being received from other state agencies. The board may require a
 3 certified statement of the child's eligibility status at the end of each calendar year.

4 * * *

5 §1345.9. Survivors' benefits for death other than in the line of duty

6 The surviving spouse or children of any active member whose death occurs
 7 other than in the performance of his duties shall have the same pension rights as
 8 provided in R.S. ~~11:1320~~ 1323.

9 * * *

10 Section 2. The cost of this Act, if any, shall be funded with additional employer
 11 contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

12 Section 3. This Act shall become effective on July 1, 2011; if vetoed by the governor
 13 and subsequently approved by the legislature, this Act shall become effective on July 1,
 14 2011, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Robideaux

HB No. 571

Abstract: Relative to the 4 state retirement systems: La. State Employees' Retirement System (LASERS), the Teachers' Retirement System of La. (TRSL), the La. School Employees' Retirement System (LSERS), and the State Police Pension and Retirement System (STPOL); makes certain technical, remedial, and substantive changes to provisions of the law affected by Act 992 of the 2010 Regular Legislative Session.

Present law, pursuant to Act 992 of the 2010 Regular Legislative Session, generally made sweeping changes to the benefit structure of the four state retirement systems for persons whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, in the following respects:

- (1) Employee contribution rates.
- (2) Final average compensation.
- (3) Benefit accrual rates.
- (4) Retirement eligibility.
- (5) Disability benefits.

(6) Survivor benefits.

Proposed law makes certain technical, remedial, and substantive changes to provisions of the law affected by Act 992.

SURVIVOR BENEFITS

Present law, relative to LASERS, LSERS, and STPOL, for members whose first employment making them eligible for membership in any of the state retirement systems occurs on or after Jan. 1, 2011, provides that a spouse with children shall receive 50% of the amount that the member's normal retirement benefit would have been. Additionally, any minor or handicapped children shall each receive 50% of what the spouse would be entitled to under present law. Provides further that the child's benefit shall cease upon his having reached the age of majority.

Proposed law provides that the survivor benefit payable to mentally or physically handicapped children shall not cease upon reaching the age of majority, but shall continue past the age of majority, subject to certain requirements.

DISABILITY BENEFITS

Present law (R.S. 11:203(B)(1)), relative to TRSL, requires a member hired on or before December 31, 2010, applying for disability benefits to have 5 years of service credit in order to qualify for such benefits. Provides that credit earned on workers' compensation shall not be used toward meeting the 5 years of service.

Proposed law retains present law but removes prohibition and, thus, provides that credit earned on workers' compensation may be used toward meeting the 5 years of service required to qualify for disability benefits.

DEFERRED RETIREMENT OPTION PLAN (DROP) ELIGIBILITY

Present law (R.S. 11:786), relative to TRSL members, allows for DROP participation if the member has:

- (1) 30 years of service at any age.
- (2) 25 years of service at age 55.
- (3) 20 years of service at age 65.
- (4) 10 years of service at age 60.

Proposed law retains present law with regard to TRSL members hired on or before December 31, 2010. With regard to members hired on or after January 1, 2011, allows for DROP participation if the member has 5 years of service credit at age 60 to conform with the retirement eligibility provisions provided by Act 992 of 2010 for such members.

Present law (R.S. 11:1152), relative to LSERS members, allows for DROP participation if the member has:

- (1) 30 years of service at any age.
- (2) 25 years of service at age 55.
- (3) 20 years of service at age 65.
- (4) 10 years of service at age 60.

Proposed law provides that an LSERS member shall be eligible for DROP participation upon reaching regular retirement eligibility.

INITIAL LUMP-SUM BENEFIT (ILSB) OPTION

Present law (R.S. 11:783(A)(3)) provides for a payment option at retirement known as the ILSB, which allows a member to receive a lump sum benefit upon retirement subject to an actuarial reduction in monthly benefits. Provides that a member may select the ILSB if the member has:

- (1) 30 years of service at any age.
- (2) 25 years of service at age 55.
- (3) 10 years of service at age 60.

Proposed law retains present law with regard to TRSL members hired on or before December 31, 2010. With regard to members hired on or after January 1, 2011, allows for ILSB participation if the member has 5 years of service credit at age 60 to conform with the retirement eligibility provisions provided by Act 992 of 2010 for such members.

HAZARDOUS DUTY SERVICES PLAN (LASERS)

Membership

Present law (R.S. 11:611 - 621), relative to LASERS, generally creates the Hazardous Duty Services Plan (HDSP) within LASERS for certain law enforcement personnel whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, who are members of LASERS, and provides that members of existing hazardous duty plans may retain membership in those plans or become members of the HDSP subject to certain conditions.

Proposed law prohibits anyone having participated in LASERS' Deferred Retirement Option Plan (DROP), as well as certain rehired retirees from becoming members of the HDSP.

Present law (R.S. 11:612(2)(f)) provides that arson investigators in the Department of Public Safety and Corrections, office of state fire marshal shall be members of the HDSP.

Proposed law provides additionally that employees in the office of state fire marshal who are required to be Firefighter I or First Responder certified shall be members of the HDSP.

Proposed law provides additionally that campus police chiefs of public institutions of higher education, who are hired on or after January 1, 2011, shall no longer be members of TRSL and shall be members of the HDSP.

Retirement Eligibility

Present law (R.S. 11:614), pursuant to the provisions of the HDSP, provides that any hazardous duty personnel whose first employment making them eligible for membership in any state retirement system hired on or after Jan. 1, 2011, shall be eligible to retire with:

- (a) 12 years of service at age 55.
- (b) 25 years of service at any age.
- (c) 20 years of service at any age, but subject to an actuarial reduction of benefits.

Present law provides a 3.33% accrual rate for calculation of retirement benefits under the HDSP.

Present law (R.S. 11:441) also provides that certain rank-and-file members of LASERS shall be eligible to retire with:

- (a) 5 years of service at age 60.
- (b) 20 years of service at any age, but subject to an actuarial reduction of benefits.

Present law (R.S. 11:444) provides for a 2.5% accrual rate for the calculation of retirement benefits for rank-and-file members of LASERS.

Proposed law allows any member of the HDSP, if he has does not meet retirement eligibility under the HDSP, to retire under rank-and-file provisions with 5 years of service at age 60. Provides that such member's retirement benefit will be calculated using a 2.5% accrual rate.

Retirement Options

Present law (R.S. 11:616) allows members of the HDSP to enter DROP upon reaching retirement eligibility.

Proposed law additionally allows members of the HDSP to select the Initial Benefit Option (IBO), which allows a member to receive a lump sum benefit upon retirement subject to an actuarial reduction in monthly benefits. Further clarifies that HDSP may select an optional Cost-of-Living Adjustment (COLA), available to members of this system and others, which provides a lifetime COLA subject to an actuarial reduction in monthly benefits.

Survivor Benefits for DROP Participants

Present law (R.S. 11:618), relative to the HDSP, provides for survivor benefits for the surviving spouse and children of a *member* who dies in the line of duty, in the amount of 80% of the member's Final Average Compensation (FAC).

Present law (R.S. 11:621), relative to the HDSP, also provides a benefit for the surviving spouse and children of a *retiree* who dies. A surviving spouse shall receive 75% of the member's retirement benefit. If no spouse, surviving children shall each receive a benefit under present law (R.S. 11:471.1(C)) (25% of the member's benefit for each child).

Proposed law, clarifies that the 80% FAC in-the-line-of-duty survivor benefit of present law (R.S. 11:618) shall not apply to DROP participants or certain rehired retirees. Rather, the provisions of present law (R.S. 11:621) shall apply.

Transfer Provisions

Present law (R.S. 11:620) generally requires hazardous duty personnel in LASERS hired on or after January 1, 2011, to become members of the HDSP. Present law (R.S. 11:620(B)(1) and (2)) also allows a member of LASERS, hired on or before December 31, 2010, to become a member of the HDSP under the following options:

- (1) Maintaining prior service credit in his previous plan under the provisions of that plan but accruing service and benefits in the HDSP going forward.
- (2) Electing an internal actuarial transfer within LASERS, in which the member transfers his funds from the previous plan into the HDSP, but maintains the accrual rate of the previous plan. Such member may pay to upgrade his prior service to the 3.33% accrual rate of the HDSP.

Proposed law allows members of other state and statewide retirement systems, who would otherwise be eligible for membership in the HDSP, except they were hired on or before December 31, 2010, to utilize the above transfer provisions to join the HDSP.

Proposed law provides that if any member chooses (1) above (after proposed law becomes effective) and it results in an actuarial cost to the system, the member shall pay such cost to the system upon his retirement.

Proposed law further provides that if any member chooses (2) above and elects to upgrade his prior service to the 3.33% accrual rate of the HDSP, he shall upgrade *all* of such service.

Present law (R.S. 11:620(C)) allows a member of another plan or system, whose employment would qualify him for membership in the HDSP if it were on or after January 1, 2011, to remain a member of such plan or system.

Proposed law further clarifies that if a member of another hazardous duty plan within LASERS chooses to remain in that plan his service credit going forward will be considered having been earned in that plan.

Proposed law provides that the cost of proposed law, if any, shall be funded with additional employer contributions in compliance with Const. Art. X, §29(F).

Effective July 1, 2011

(Amends R.S. 11:203(B)(1), 471.1(C), 612(2)(f) and (l), 613, 614, 616, 620(A), (B), (C), and (D), 621(B) and (C)(1), 783(A)(3)(a), 786(A), 1151.1(C), 1152(A), 1323(C), and 1345.9 ; Adds R.S. 11:612(2)(m), 11:618(D), 701(33)(b)(ii)(cc) and (dd))